

Message Text

SECRET

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ACTION EA-14

INFO OCT-01 ISO-00 EB-11 PM-07 NSC-10 SPC-03 SAM-01 SS-20

RSC-01 CIAE-00 INR-10 NSAE-00 OMB-01 DRC-01 /080 W
----- 036044

R 260345Z FEB 74

FM AMEMBASSY SINGAPORE
TO SECSTATE WASHDC 0149
SECDEF WASHDC
AFLC/CC/PP
INFO CSAF/LGPL
CNO/OP-514
CINCPAC

S E C R E T SINGAPORE 867

E.O. 11652: GDS
TAGS: MASS, SN
SUBJ: LOCKHEED-SINGAPORE

REF: A. AFLC/PP 211630Z FEB 74 (NOTAL); B. SINGAPORE 720
(NOTAL); C. SINGAPORE 652 (NOTAL); D. STATE 029388 (NOTAL); E. STATE
028891 (NOTAL)

1. REF A DIRECTED O.L. DET 11 AFCMC SINGAPORE
TO COORDINATE WITH ME PRIOR TO DISCUSSING TENTATIVE
WORKLOAD PACKAGE WITH LASS MANAGEMENT. PRIOR TO
RECEIPT OF REF A, EMBASSY HAD RECOMMENDED IN REF C AND
STATE AGREED (REF D) THAT WE SHOULD NOT AT THIS TIME
INFORM EITHER LOCKHEED OR GOS OF DECISION CONTINUE
DIRECTED PROCUREMENT FOR ANOTHER YEAR. OTHERWISE, LOCK-
HEED WOULD PROBABLY MOUNT CAMPAIGN TO MAXIMIZE LEVEL OF
DIRECTED PROCUREMENT. IN LIGHT OF THIS DECISION AND
SINCE DET 11 IS FULLY FAMILIAR WITH LOCKHEED SITUATION
AT BOTH PLANTS AND HAS PROVIDED ME WITH FULL KNOWLEDGE
OF THEIR CAPABILITIES AND DEFICIENCIES, I HAVE DIRECTED
OFFICER-IN-CHARGE OF DET 11 NOT RPT NOT TO DISCUSS TEN-
TATIVE WORKLOAD PACKAGE WITH LASS MANAGEMENT UNTIL FINAL
DECISION REACHED IN WASHINGTON ON NUMBER OF HOURS OF

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DIRECTED PROCUREMENT.

2. REF E REQUESTED EMBASSY'S JUDGEMENT RE MINIMUM VIABLE WORKLOAD IN LIGHT OF DECISION TO CONTINUE DIRECTED PROCUREMENT TO LOCKHEED FACILITY IN SINGAPORE IN AMOUNT SUFFICIENT TO PREVENT CLOSING OF EITHER LOCKHEED PLANT IN SINGAPORE. AFTER CONSULTING WITH DET 11 OFFICE HERE, EMBASSY RECOMMENDED DIRECTED PROCUREMENT FOR FY-75 NOT TO EXCEED 200,000 MAN-HOURS (REF B). REF B MADE IT CLEAR THAT BASED ON EXPERIENCE IN FY-74 DIRECTED PROCUREMENT WOULD NOT EXCEED 2000,000 MAN-HOURS IF WE WISHED TO AVOID SERIOUS DELAYS AND WORK DEFICIENCIES WHICH OCCURED IN FY-74.

3. LONG-STANDING LOCKHEED POSITION IS THAT IT CAN ABSORB 500-6000,000 MAN-HOURS OF DIRECTED PROCUREMENT. HOWEVER, IT HAS BEEN CONSISTENT VIEW OF BOTH DET 11 EXPERTS ON SCENE AND US AIR FORCE/ARMT/NAVY INSPECTORS FROM HIGHER COMMANDS WHO HAVE TALKED WITH ME AFTER VISITING LOCKHEED FACILITIES HERE THAT LOCKHEED'S PERFORMANCE HAS BEEN SUBSTANDARD LARGELY BECAUSE OF EXCESSIVE VOLUME OF WORK AND SHORTAGE SKILLED EMPLOYEES.

4. REF A DIRECTS DET 11 AND OTHER COMMANDS TO "TENTATIVELY PLAN FOR LASS TO ACCOMPLISH THE FY-75 VNAF C-130 PROGRAM IN ITS ENTIRETY" AS WELL AS TO CARRY OUT US NAVY C-130 PAR PROGRAM FOR FIVE AIRCRAFT PLUS FY-74 CARRYOVER. (PACAF C-130 CORROSION CONTROL PROGRAM WOULD APPARENTLY BE ACCOMPLISHED ELSEWHERE.) FURTHERMORE, REF A DIRECTS AIR FORCE PROCUREMENT AGENCY (WRAMA/PP) TO INITIATE SOLE SOURCE PROCUREMENT WITH LASS FOR THE FY-75 VNAF C-130 PROGRAM. ACCORDING DET 11, "TENTATIVE PLAN" WOULD INVOLVE OVER 500,000 MAN-HOURS OF DIRECTED PROCUREMENT.

5. COMMENT: DECISION TO CONTINUE DIRECTED PROCUREMENT FOR ONE MORE YEAR MAKES SENSE ONLY IF PROCUREMENT IS AT LEVEL WHICH LOCKHEED CAN ABSORB. AS REF B STATED, WE RECOGNIZE DEVELOPMET OF WORKLOAD PACKAGE TO FIT WITHIN RECOMMENDED 200,000 MAN-HOUR LIMIT MAY BE DIFFICULT FOR MILITARY SERVICES TO PROVIDE. HOWEVER,

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GIVEN INCREASING VOLUME OF COMPLAINTS WHICH HAVE REACHED ME FROM VARIETY OF US MILITARY SOURCES CONCERNING DEFICIENT LASS PERFORMANCE, IT WOULD SEEM UTTER FOLLY TO DIRECT ONCE AGAIN MORE PROCUREMENT THAN LOCKHEED CAN HANDLE. MEANWHILE, I DO NOT THINK WE SHOULD INITIATE ANY PROCUREMENT DECISIONS RELATING TO LASS FOR FY-75 UNTIL FINAL DECISION REACHED BY WASHINGTON AGENCIES ON LEVEL OF MAN-HOURS TAKING ACCOUNT JUDGMENT THIS EMBASSY AND SERVICES

ON LOCKHEED PERFORMANCE POTENTIAL. CRONK

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